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In the

Supreme Court of the United States

OCTOBER TERM, 1963

No. 961

HAROLD L. MARASCO AND MARASCO SHOE MACHINERY COMPANY, INCORPORATED,

PETITIONERS,

v.

COMPO SHOE MACHINERY CORPORATION,

RESPONDENT.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

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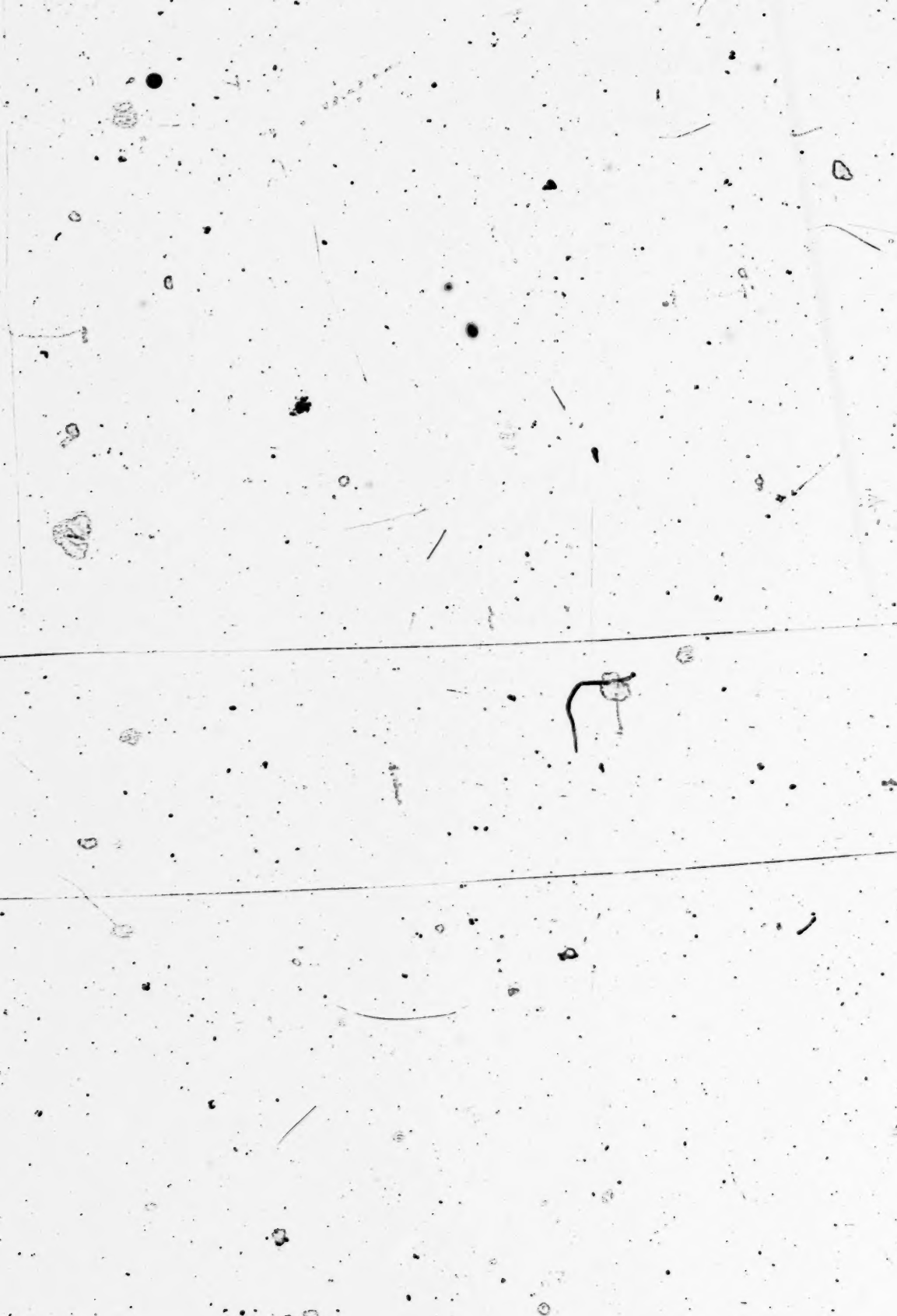

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT.

Petition for Writ of Certiorari

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the First Circuit, entered in the above-entitled case on December 26, 1963.

Citations to Opinions Below

The Opinion of the District Court (R. 254) is reported in 219 F.Supp. 754. The opinion of the Court of Appeals is unreported and is printed in Appendix B hereto, infra, p. 10.

Jurisdiction

The Judgment of the Circuit Court of Appeals was entered on December 26, 1963. Rehearing was denied on January 8, 1964. The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

Questions Presented

Is the standard of invention met when the patented device is found to be (a) novel, (b) useful, and (c) "not obvious"?

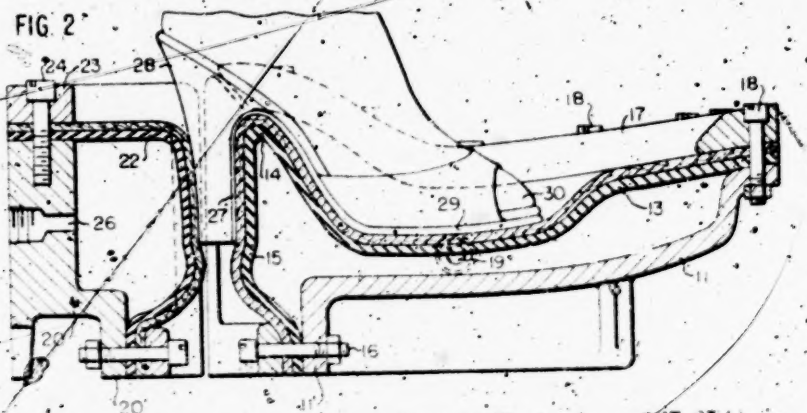
Does the "obviousness" standard of Title 35 U.S.C. Section 103 (Appendix A, page 9 *infra*) only apply negatively to invalidate a patent on the ground of "obviousness", or does it apply positively also to validate a patent which is deemed "not obvious" and otherwise qualifies as "new and useful" under Section 101? (Appendix A, page 9 *infra*)

Statement

The patent in suit (Appellant's Record p. 257-262) is for a machine for applying pressure to the bottoms of women's high heeled shoes during manufacture so that the soles (with cement applied thereto) can be adhesively bonded to the shoes under pressure. The idea is to apply the pressure simultaneously to the shoe bottom and to the forward face or "breast" of the heel in order to attach the sole to the shoe and attach at the same time a flap extension of the sole to the breast of the heel. It is also important at the same time to apply a counterbalancing pressure to the rear face of the heel in order to prevent the pressure on the forward face or breast of the heel from breaking off the heel. A cross-section of the patented device developed by

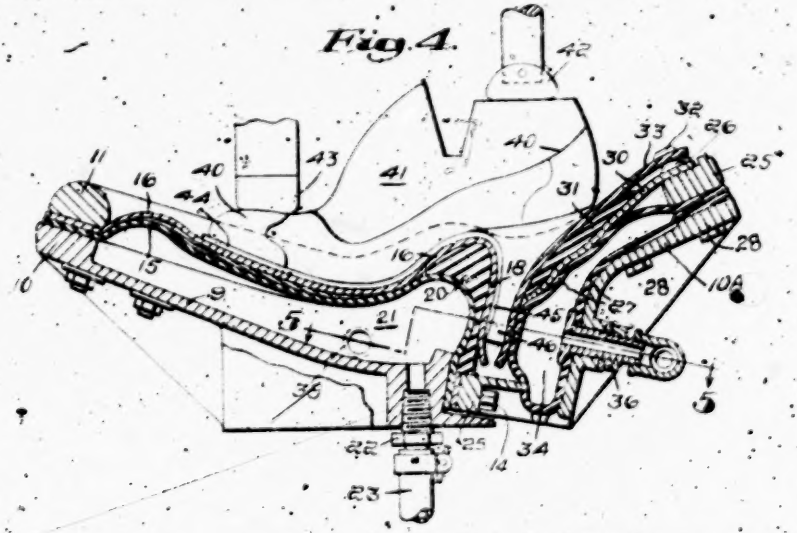
Marasco for this purpose is shown in the following drawing.

FIG. 2



The accused device (Appellant's Record p. 267-274) is virtually a "dead ringer" for the patented device. The Trial Court specifically held it to be "remarkably similar" and found infringement (Appellant's Record p. 249-250). A cross-section of the accused device is as follows.

Fig. 4.



In both the patented and accused devices the two pair boxes between which the heel is inserted are bolted to

gether and cannot move relative to each other. The pressure is applied to the shoe pneumatically by air pressure acting against diaphragms which in turn act against the shoe bottom and simultaneously both faces of the heel.

The only prior art reference relied on by the Courts below is the Italian patent to Malverdi No. 547,479 (R. p. 351) the drawings of which are as follows.

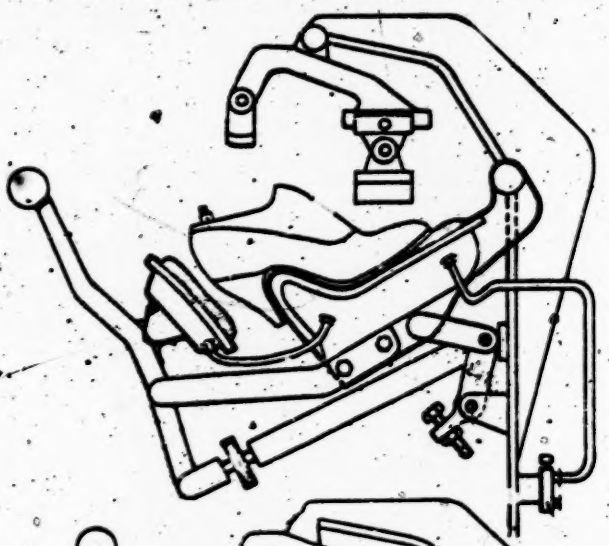


Fig. A

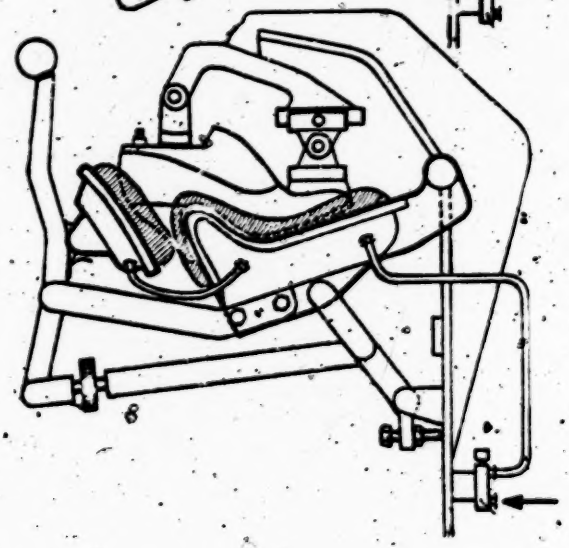


Fig. B

Malverdi's object is virtually the same as the patent in suit, but instead of having his two pad boxes bolted together as they are in the patented and accused devices, Malverdi mounted them on a series of linkages so that, between each operation, the pad boxes could be moved to an opened position. This action can be seen by comparing Figs. A and B of Malverdi, above. In the Malverdi device it is *necessary* to move the pad boxes in order to insert or remove the shoes between each operation (Appellant's Record p. 235). In the patented and accused devices, however, insertion and removal are accomplished without any relative motion between the pad boxes.

The Trial Court found that to do what Marasco did in the patent in suit was "not obvious" (Appellant's Record p. 247). This finding was based on evidence showing what defendant's designer, one Fred Dawson, had done when he had been first assigned the job of designing a machine for this purpose. All of Dawson's early efforts involved the use of pad boxes mounted for relative motion, like Malverdi, as distinguished from the fixed, bolted arrangement of Marasco (Appellant's Record p. 103). It was not until after Marasco had demonstrated the patented device at the Bickford Shoe Company in Milford, Massachusetts (Appellant's Record p. 40-41), that Dawson got the idea of bolting the two parts together and inserting the shoes without resorting to relative motion between the two pad boxes (Appellant's Record p. 95-96). It was this sequence of discarded designs by Dawson which led the Trial Court to hold that Marasco's "approach and solution were not obvious" (Appellant's Record p. 247), and the Court of Appeals did not disturb this finding. The Trial Court also held that the mere simplicity of what Marasco did did not negative invention.

The evidence that Marasco's patented device qualified as "new and useful" under 35 U.S.C. Section 101, is clear

The prior art constructions did not disclose Marasco's bolted-together arrangement. Accordingly, Marasco's device was novel, at least to this extent. Utility was equally obvious. Machines employing Marasco's bolted-together construction (Defendant's machines) went into widescale use (Appellant's Record p. 52-53, 88). On the other hand, the movable pad box arrangement of Malverdi achieved no success. The defendant, Compo, abandoned Dawson's early movable pad box designs without even building them (Appellant's Record p. 95), and the Evans Shoe Co. purchased only one Malverdi machine (Appellant's Record p. 176) but employed Compo's bolted-together pad box arrangement (the accused device) in production (Appellant's Record p. 172).

The Trial Court, however, held that Malverdi "anticipated" the patent in suit, and the Court of Appeals merely adopted this holding. Petitioner seeks a reversal of these decisions.

Reasons for Granting the Writ

This is the first case, so far as we are aware, where a specific finding of "not obvious" has been made by the Trial Court and the patent has still been held "anticipated" by the prior art. Accordingly, the case, as it now stands, represents a serious challenge to the accepted "obviousness" standard of invention, and if allowed to remain unchanged, will have far-reaching consequences in the operation of the patent system.

Ordinarily patents are regarded as "anticipated" by the prior art only when the prior art contains every element of the claimed structure and no new functional relation exists; *Ranco, Inc. v. Guigna*, 128 F(2d) 437, 54 U.S.P.Q. 3. (CA 6 1942). In cases where the claimed structure differs from the prior art, a clearly different problem is pre-

sented. The Court must then decide whether or not the differences are sufficient to qualify the patented device as an "invention". Admittedly it is difficult to determine the sufficiency of various technical differences to meet a given qualification, and the Courts have long sought for a standard by which such differences can be measured. Gradually, in response to the search for a guide, there has emerged a standard whereby the difference between the patented structure and the prior art are compared, and if the evidence shows that to proceed from the prior art structure to the patented structure would have been obvious to the man having ordinary skill in the art at that time, then invention is not present, Title 35 U.S.C. Section 103. Conversely, if the differences would not have been obvious to such a man then, provided the device is also "new and useful", invention is present: *Diamond Rubber Co. v. Consol. Rubber Tire Co.*, (1911), 220 U.S. 428, 435, 55 L.Ed. 527, 532; *Venis v. Ellis, Inc.*, 125 F.Supp. 583, 103 U.S.P.Q. 315, 317 (D.C. Mass. 1954) affirmed 224 F(2d) 311 (CA 1 1955); *Lyon v. Bausch & Lomb Optical Co.*, 224 F(2d) 530, 535 (CA 2 1955; L. Hand); *O.M.I. Corporation of America v. Kelsh Instrument Co.*, 279 F(2d) 579 (CA 4 1960); *Honolulu Oil Corporation v. Shelby Poultry Company*, 293 F(2d) 127 (CA 4 1961); *Bowen-Itco, Inc. v. Houston Engineers, Inc.*, 192 F.Supp. 233, 129 U.S.P.Q. 18 (D.C.S.D. Tex 1961) affirmed as to patent validity, 310 F(2d) 522 (CA 5 1962); *Scherbatskoy v. U.S. Steel Corp.*, 186 F.Supp. 87, 129 U.S.P.Q. 9 (D.C.N.D. Ind. 1960), affirmed 287 F(2d) 552 (CA 7 1961); *Paltity Corporation v. Ingalls McCain Lumber Co.*, 154 F.Supp. 635, 115 U.S.P.Q. 274 (D.C.W.D. Mo. 1957), affirmed per curiam 260 F(2d) 357 (CA 8 1958); *Patterson-Ballagh Corp. v. Moss*, 201 F(2d) 403 (CA 9 1953); *Bayard v. Watson*, 181 F.Supp. 882 (D.C. District of Columbia 1959).

In the case at bar, the Trial Court found facts sufficient

to qualify the Marasco patent as an invention under the above-described "obviousness" standard; but then, inconsistently, held it to be "anticipated". This holding, therefore, hits at the root of the obviousness standard and if allowed to stand, will materially reduce the gains which the Courts and the Congress have recently made in clarifying this important and hitherto confused area of patent law.

The decision in the case at bar is in conflict with the following recent decisions in which a finding of fact of "not obvious" together with findings of novelty and usefulness were the basis of a holding that invention was present. *Diamond Rubber Co.* v. *Consol. Rubber Tire Co.*, supra; *Denis Ellis, Inc.*, supra; *Igion* v. *Bausch & Lomb Optical Co.*, supra; *O.M.I. Corporation of America* v. *Kelsh Instrument Co.*, supra; *Honolulu Oil Corporation* v. *Shelby Poultry Company*, supra; *Bowen-Itco, Inc.* v. *Houston Engineers, Inc.*, supra; *Selzerbatskoy* v. *U.S. Steel Corp.*, supra; *Paltier Corporation* v. *Daniels-McCray Lumber Co.*, supra; *Patterson-Ballagh Corp.* v. *Moss*, supra; *Bolgard* v. *Watson*, supra.

Conclusion

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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Appendix A

Section 101 - *Inventions patentable*

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. (R.S. 4886; 35 U.S.C., 1946 ed., 31.)

Section 103 - *Conditions for patentability; non-obvious subject matter*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Appendix B

OPINION OF THE COURT.

December 26, 1963.

HARTIGAN, *Circuit Judge*. This is an appeal from a judgment of the United States District Court for the District of Massachusetts, entered April 5, 1963, declaring invalid all claims of U.S. Patent No. 2,962,736 issued to plaintiff-appellant Harold E. Marasco on December 6, 1960 on application filed February 19, 1959 and assigned by him to plaintiff-appellant Marasco Shoe Machinery Company. The four claims of the patent were found by the lower court to have been anticipated by Italian Patent No. 547,479 granted August 30, 1956 to Alessandro Malverdi and by the "Ghini" machine which embodies the Malverdi patent and which was in use in this country in 1958.

Plaintiffs initially brought an action for infringement against defendant-appellee Compo Shoe Machinery Corporation, contending that a split pad box used in the production of shoes and manufactured by Compo infringed the patent in issue. Defendant counterclaimed and asked the court to declare the Marasco patent invalid for (1) want of invention, (2) anticipation and (3) inoperativeness. Chief Judge Sweeney, properly deciding *all* of the issues before him, held that the Marasco patent for a split pad box constituted an invention over the conventional unitary pad box and *that the patent disclosed an operative device*. However, on the issue of anticipation he found the Marasco patent was invalid. The court further stated that if, on appeal, its judgment as to invalidity should be reversed, it finds all plaintiffs' claims infringed *by the defendant*.

The pertinent background to this case has been set forth by the lower court and we quote it here:

> "The patent in suit relates to a two-section pad box for use in making shoes having 'Louis' heels by the

tabless process. The Louis heel, which is used on ladies' shoes, is characterized, in part, by having applied to its front, or breast, a thin flap which is an integral part of the sole. Prior to the development of the tabless process, the sole would be applied to the shoe and cemented to the shoe with the use of a conventional pad box before the heel was attached. That part of the sole which becomes the breast of the heel, was split. The upper part, the part closest to the shoe, is known as the 'tab' while the other half, the breast of the heel, is the 'leaf'. The tab was then also cemented to the shoe, the heel was loosely attached over the tab and the leaf, cemented to the heel by hand, in that order.

"In the tabless process (which was developed in Europe about 1955), as the name implies, the tab is eliminated. The heel is attached to shoe first, and sole and heel breast are cemented to the bottom of the shoe and to the heel in one operation." This requires a pad box by which pressure can be exerted in both directions at the same time.

Marasco, who from 1933 to 1947 had been an employee of the defendant and a protege of its then president, in the early 1950's started designing and making shoe machinery on his own and in 1953 he formed the Company. In 1957 a shoe manufacturer asked him to devise a pad box which could simultaneously cement the sole to the bottom of the shoe and the leaf to the breast of the heel.

"The conventional pad box is essentially an oval metal frame which holds a rubber diaphragm covered with leather. The lasted shoe is placed on the dia-

"Cementing, in fact, involves several steps, but in this context the word is used to denote only the last step, holding in place the two parts to be united.

phragm and is held in place by the sole press while the diaphragm is inflated to exert pressure against the surface to be cemented. Marasco's solution to the problem posed by the manufacturer was simply to cut a conventional pad box in two and bolt the two sections back together again in such a manner as to leave room for insertion of the heel. This two-part pad box employs two diaphragms with separate air intakes, one of which exerts pressure against the sole and breast of the heel while the other exerts a counter pressure against the back of the heel. This two-part pad box became, with a few refinements, the subject of the patent in suit."

The "Ghini" machine, fashioned after the Malverdi patent, differs from the Marasco machine in that the rear-part pad section is pivoted to a lever-type handle immediately behind the rear pad which, when pulled back, allows the insertion of heels of various sizes and, when manually closed, pushes the rearpart pad section against the heel while lifting both rearpart and forepart sections against the sole press attached to the above frame. The shoe is then held securely in place while even pressure is applied against the heel from both sides to avoid breakage.

Once the handle has been pushed forward to its adjusted limit, the adjustment being dependent upon the thickness of the heel, it is not necessary for the operator to maintain pressure against the handle in order to keep it from popping out. The action of the linkage (the links controlled by the handle slightly passing the position of straight alignment so that they cannot fall back into an unlocked position) and the inflation of the pads maintain the entire device under pressure.

Where all the elements of a claimed invention are found in a previously constructed and used machine which is capable of performing the same functions as the claimed

invention; thus the latter has been anticipated by the former. *Bianco, Inc.* v. *Gicanna*, 128 F.2d 437 (6th Cir. 1942). Here, the leading elements or their equivalents of the Marasco patent are found in the prior patent of Malverdi. The machines constructed from the two patents are both equipped with complimentary forepart and rearpart pad box sections containing separate flexible pads with vertical portions for engaging opposite faces of an interposed heel. Both provide for equal pressure to be asserted against the heel and the pads to be inflated by means of fluid pressure inlets. The Marasco machine holds the pad sections stationary and in place against longitudinal pressure developed by inflation of the pads through the use of bolts connecting together the external lugs of the forepart and rearpart pads. The equivalent is found in Malverdi in the use of a linkage which becomes mechanically rigid during inflation and accomplishes the same function. Dr. Joseph Harrington, Jr., an expert witness whose qualifications were not objected to by the plaintiffs, successfully testified that all the elements or their equivalents contained in the four claims of Marasco were found by him to be contained in the Malverdi machine. The lower court correctly concluded that the only difference between the two patents was the movement of the rear pad box in Malverdi.

Plaintiffs attempt to overcome the obvious similarities in the two machines by claiming functional advantages due to their fixed two-part pad box arrangement. But contrary to their assertion, there is no more adjustment involved in the operation of the "Ghini" machine than there is in the operation of the Marasco machine where the bolts must be unfastened and metal spacers added in order to provide for increases in heel sizes with various style changes. In fact, Marasco's machine appears to be more of a regression in this area rather than an advance over the prior art. Nor do we find the "Ghini" machine to be more complicated than Marasco's and plaintiffs fear that the operating

handle of the "Ghini" machine can *pop out in the operator's face has already been laid to rest.*

It is true that the Patent Examiner cited the Malverdi patent in allowing Marasco's claims, but any presumption of validity to be gathered from that fact has been sufficiently overcome. Also, there is indication that the examiner's judgment may not have been based on evidence completely accurate. We are referring to a letter sent to the examiner by Marasco's attorney informing the examiner that the handle of the "Ghini" machine was held in operative position only by manpower. The text of the Italian patent, a translation of which was possessed by the plaintiffs, stated the exact opposite.

A judgment will be entered affirming the judgment of the district court....